

Newsletter

March – April 2020

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The Corona Crisis

For weeks there has been only one topic in Europe and the rest of the world: coronavirus. The novel corona virus with the melodious name SARS-CoV-2, which in turn causes the lung disease COVID-19, has been shaking up everything we know for weeks. But this virus is not only shaking our everyday lives, it is also shaking the very foundations of the European Union, namely the four fundamental freedoms of the European internal market - free movement of goods, persons, services and capital. In particular, the free movement of persons has been almost completely suspended and borders closed. First of all, we did not presume to assess the accuracy and effectiveness of these measures from an epidemiological point of view. This should be the sole responsibility of the experts in this field. The restriction on the free movement of persons can certainly be assessed as legitimate from an epidemiological point of view. Nevertheless, we should reflect on the medium and long-term effects of these measures on the European Union and plans should be drawn up to reverse these measures once the virus has been contained. Without such normalisation plans at European and national level, there is a risk that the free movement of persons and the Schengen area will remain restricted in the long term.

The EU and solidarity

Former EU Commission President Jacques Delors recently warned in one of his rare public statements that "the mood that seems to prevail between heads of state and government and the lack of European solidarity pose a deadly threat to the EU." It could be argued that the European idea and also our democracy itself has been infected by a virus and we must now fight it. However, whether the immune system of our society, the common European spirit, is able to minimise the effects remains to be seen and, in the final analysis, probably depends on each individual. The corona crisis forces states to think nationally, to close borders and to put the health of their own people above everything else. While

national go-it-alones are the order of the day these days, a pan-European, coherent and coordinated response is only slowly getting underway. Although we are now seeing more and more of European countries helping the worst affected regions, for example by transferring patients from these regions to hospitals in neighbouring countries, it seems that European solidarity remains an exception. Especially in the early stages of the crisis, China (and now Russia) seemed to be more helpful than Italy's immediate neighbours. This lack of solidarity has the long-term potential to further fuel Euroscepticism in Italy and other affected countries. "Italians have already become very suspicious of Europe. There is a risk that an 'Italexit' could be triggered," says the director of the Jacques Delors Institute. There is now agreement among European leaders on renewing the EU's crisis management system, coordinated procurement of medical equipment, and funding for joint European vaccine research. But opinions differ widely on the issue of economic aid. All too well these days one feels reminded of the economic and financial crisis. Italy, Spain, France and many other EU countries are advocating the creation of so-called Corona-bonds, which would be tantamount to a communitarisation of debt. But other states, above all Germany, Austria and the Netherlands, are vehemently opposed to the communitarisation of debt and are calling for existing structures and processes to be built on, such as the Euro rescue umbrella ESM or the expansion of the European Investment Bank EIB to support small and medium-sized companies in Europe. Whatever the final solution, it is clear that, without rapid pan-European strategies, the European project will suffer massive damage.

Even if the crisis is still in full swing and it is not yet possible to predict when it will be overcome, it is better to think about corona exit strategies early than late. What guarantees are there that all states will allow the free movement of persons again after the crisis? Especially since the Commission has already stated that border

restrictions would not necessarily help to contain the virus, as it has now spread to all EU countries.

Democracy

In addition to the risks and side effects of a lack of solidarity and cooperation, the crisis poses another threat to the European Community, namely the undermining of democracy. The EU is a community of values based, among other things, on democracy. As a result of the crisis, fundamental rights are being undermined in a rush, parliaments and political work are being reduced to the bare minimum, opposition is being held back, elections are being postponed, some courts only deal with urgent cases, freedom of assembly has been suspended and journalists are being forced to work from home. What is particularly worrying, however, is the development in Hungary. On 30th March the Hungarian Parliament, controlled by Viktor Orbán's Fidesz party, voted to cancel all elections, to suspend its own legislative powers and to give the Prime Minister the right to govern by decree for an indefinite period. Whether these changes will help in the Corona crisis is rather questionable. Instead, it is feared that other very controversial issues that were previously unenforceable will be addressed, such as the withholding of information on major Chinese railway investment or the adoption of controversial decrees on museum construction and theatre management. Even if one could now claim that controversial reforms or the erosion of democracy in Hungary could ultimately have no significant impact on coexistence in Europe, there is always the danger that eurosceptic, right-wing populist forces in Europe will continue to grow and follow the Hungarian example.

The crisis as catalyst

The pictures taken by the European Space Agency (ESA), which show that the measures taken have reduced air pollution over most of Europe's major cities and conurbations, have been circulating in all the media in recent days.

Even though this improvement is likely to be short-lived and will end at the latest when the measures come to an end, these pictures show very graphically that the pandemic could perhaps also be used for a positive development. Because when you see how quickly principles believed to be ironclad disappear, the crisis could perhaps also be used as a catalyst for mobility and energy system transformation.

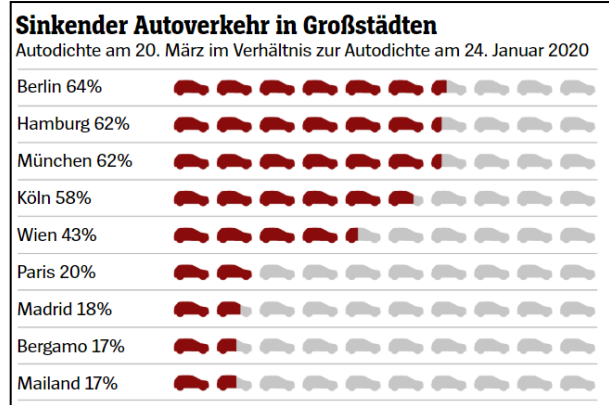
But even if this momentum is not used for positive development, under no circumstances should it be used as a tool for reversing progress that has been difficult to achieve. A few days ago, on 25 March 2020, stakeholders' associations of the European automotive industry, including manufacturers, suppliers, dealers, repairers and tyre manufacturers, wrote a joint letter to the European Commission proposing a relaxation of the CO2 targets for cars. In the letter to the Commission President, the associations stress that by focusing and redirecting resources to these short-term issues of the corona crisis, "other activities will inevitably suffer". Furthermore, the associations write that for the time being no production, development, testing or homologation work is taking place. This interferes with the plans that have been made to prepare the affected sectors and industries to comply with existing and future EU laws and regulations within the deadlines set out in these regulations. For this reason, the associations argue for an adjustment of the timetable of these laws. Nevertheless, the laws as such or their underlying objectives of road safety, climate change mitigation and environmental protection should not be called into question. It should also be borne in mind in this debate that innovation, whether in the field of comfort, safety or environmental protection, requires investment. With expected declines in sales in almost all relevant sectors of car manufacturing, it can be expected that this may also affect these investments. Temporary adjustments may therefore be necessary.

The virus and the car

Through curfews, contact bans and other measures to contain the virus, traffic density on European roads has also decreased significantly. In the chart in Spiegel (see below), based on data from the navigation service provider TomTom, it can be seen that car density in major European cities has fallen massively compared to 24 January 2020.

But even though car traffic on our roads has decreased, attitudes towards cars and driving seem to have changed during the crisis. Local and long-distance public transport, whether by road, air or rail, has been reduced and suspended in many places in the wake of the crisis and is considered risky because of the inevitably higher density of people. What remains is individual transport, i.e. car, motorcycle or bicycle. Due to the environmental debates of the last few years, the image of the car has suffered a lot and especially in urban traffic, shorter journeys were rather frowned upon. But in the wake of the crisis, one has the feeling that driving a car is almost seen as a positive contribution to contain the virus. The example of Corona shows very clearly that in certain situations, individual transport has its right to exist. BVZF, IVM and VDA have also drawn attention to this in a joint statement. The associations point out that the use of cars, bicycles, scooters and motorcycles can minimise the risk of infection and reduce the burden on public transport. The associations also call for workshops and bicycle shops to be exempted from closure rules. Together with petrol stations, these are part of the essential infrastructure.

The environmental and climate problem will not have disappeared after the crisis, even if aircraft remain on the ground for months. The development of multimodal transport concepts and the expansion of local public transport must continue to be prioritised, but especially in times like these, it is certainly possible to reconsider the advantages of the good old car. But with nice spring weather and closed gyms, you might be able to cover one or the other distance with a bike.



Further Links:

- [European Commission: Coronavirus response](#)
- [Press: The Guardian – Coronavirus could be final straw for EU, European experts warn](#)
- [Press: Der Spiegel - The World comes to a standstill \(DE\)](#)
- [Joint declaration BVZF, IVM and VDA](#)
- [Letter to the European Commission](#)

ECJ backs drivers of manipulated vehicles

In September 2018, the Austrian Association for Consumer Information (VKI), on behalf of 574 owners of manipulated vehicles, brought an action against Volkswagen (Case C-343/19) before the Regional Court Klagenfurt (Austria). The buyers had acquired these vehicles in Austria from commercial car dealers or private sellers before the manipulations became public knowledge. The VKI demands that Volkswagen reimburse the damage incurred (in particular the difference between the price of a manipulated vehicle and the price actually paid) and a declaration stating that Volkswagen is liable for future damage which cannot yet be quantified (e.g. reduction in market value or driving bans on the vehicles concerned). The Austrian court wanted to know whether it was competent to hear the case. It was uncertain whether it had international jurisdiction to hear the case, so it referred a preliminary ruling to the Court of Justice to obtain clarification from the Court of Justice on its case-law on the Regulation on jurisdiction.

On 2 April, the ECJ published the Opinion in which Advocate General Manuel Campos Sánchez-Bordona states that, under the general rule on international jurisdiction, plaintiffs must bring proceedings before the courts of the Member State in which the defendant is domiciled (i.e. the courts of the defendant's State of domicile). "There are, however, alternative jurisdictions. Thus, in matters relating to tort, delict or quasi-delict, the Regulation offers applicants the possibility of suing in the courts of the place where the harmful event occurred or may occur." The court will normally give its decision within two to four months of such submissions. The judges follow them in most cases but are not obliged to do so.

Further Links:

- [Opinion of the Advocate General in Case C-343/19](#)

Calendar

Meeting Dates

Council

Transport, Telecommunications and Energy Council	04-05/06/2020
Competitiveness Council	28/05/2020
Council of Justice and Home Affairs	04/06/2020
Council of Environment	22/06/2020

Plenary

tba

Committees

Environment (ENVI)	tba
Internal Market / Consumer (IMCO)	tba
Justice & Home Affairs (LIBE)	tba
Transport (TRAN)	tba

Events (Brussels)

27/05/2020	<u>High Level Conference - Skills and transformation of the EU's automotive sector</u>
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EAC-Events

27/10/2020	EAC Autumn Meeting in Brussels
28/10/2020	EAC Lunch Debate